

1 to him, as required, I think that was basically the  
2 status report.

3 Q Could you tell me what the quarterly report  
4 is?

5 A In the partnership agreement it states that  
6 we would send to the limited partners certain reports.  
7 I think -- I'm not sure what it was in that particular  
8 agreement, but it was 90 days or quarter, we  
9 generally -- I generally accepted it as being something  
10 I do on a quarterly basis to let the limited partner  
11 know the status of accounts and included in that I may  
12 give him a narrative of where we were in the process,  
13 and at that time, nothing was going on.

14 Q At what point -- when, if you can recall, did  
15 UCI agree to become a limited partner in Peaches  
16 Broadcast Limited?

17 A Probably -- since we really actively got  
18 involved in October -- I think it was sometime late  
19 October-early November I think we were able to pretty  
20 much get an agreement from them in principal that they  
21 would come in as limited partners.

22 Q Initially you did not discuss with Mr. Dawes  
23 the need to make a payment to Mr. Weissman, is that  
24 correct?

25 A That's correct.

1           Q     At some point subsequently, you did advise  
2     him of that?

3           A     No. No.

4           Q     You didn't -- help me if I'm incorrect.

5                     When UCI bought his interest in Peaches  
6     Broadcast Limited did it not make a payment to Mr.  
7     Weissman for his interest?

8           A     Negative. The structure of the deal was that  
9     they would be coming in as if they were the first  
10    limited partner. They were essentially buying -- they  
11    were simply paying their capital contributions which  
12    would get them their units into the partnership.

13                    The connection to Mr. Weissman had nothing to  
14    do with Mr. Dawes, as far as UCI was concerned. They  
15    were coming in as new limited partners, paying their  
16    capital contributions as required by the agreement.

17           Q     And then Peaches Broadcast limited paid Mr.  
18    Weissman?

19           A     Yes.

20           Q     -- go to financing for Mr. Weissman. In your  
21    original application you proposed another source of  
22    financing, didn't you?

23           A     That's correct.

24           Q     And what was that other sources of financing?

25           A     Loan from CDC Capital Corporation.

1           Q     Can you tell me who CDC Capital Corporation  
2     is?

3           A     I'm going to quote you on this one because at  
4     the time I didn't know what -- they are a funding  
5     source for -- my understanding was/is that they are a  
6     funding source for broadcast entities. They have  
7     several investment interests.

8                     In our search early on, I might point this  
9     out, for limited partners, they were one of those that  
10    we had talked to, at least the principal was one that  
11    we had talked to, and I subsequently found out that  
12    that's what they do in terms of broadcast funding.

13          Q     Meaning you had originally approached -- you  
14    had approached Mr. York Clevy?

15          A     Well, it was two separate actions. We had  
16    approached Mr. Clevy as a limited partner early on in  
17    the 1989 venture, and subsequent to that, when we went  
18    for limited partners and we put together the agreement  
19    and we came to the portion of funding for the  
20    construction we looked then at CBC Capital as being the  
21    source of financing for construction.

22          Q     On your first approach to Mr. Clevy, how did  
23    you get his name?

24          A     Again, through counsel.

25          Q     From counsel?

1           A     Yes.

2           Q     Okay. And, then was it counsel who also  
3 suggested that you go back to them for financing?

4           MR. HONIG: Objection. Same objection as  
5 earlier. It requires a waiver of the privilege.

6           JUDGE LUTON: What is the question again?

7           MR. WINSTON: The question was, whether  
8 counsel had suggested they contact CBC.

9           JUDGE LUTON: I'm sorry, say that again.

10          MR. WINSTON: Was it counsel who suggested  
11 they contact CBC for financing?

12          MR. HONIG: So that the scope of the  
13 objection can be understood, I won't to object to  
14 whether particular information was obtained from any  
15 source, including counsel. If it's just did you know  
16 someone or where did you get this name and where did  
17 you get the phone number -- but, as to a substantive  
18 suggestion of a course of action, that's what I object  
19 to.

20          JUDGE LUTON: I'm not sure I understand that.  
21 Then you think that this latter question falls within  
22 your objection?

23          MR. HONIG: That's right. I think the first  
24 one doesn't; the second one does.

25          JUDGE LUTON: The first what doesn't?

1                   MR. HONIG: The question that was earlier  
2                   asked and answered, where did you get the name CBC  
3                   from, in my opinion, is permissible. The question, did  
4                   counsel suggest that you contact them for a particular  
5                   purpose, I think is objectionable.

6                   JUDGE LUTON: There is a difference, I  
7                   suppose. It's hard for me to view this as a privileged  
8                   communication. I can't really quite decide why at the  
9                   moment. I'm going to overrule the objection and permit  
10                  an answer.

11                  BY MR. WINSTON:

12                  Q     Do you understand the question?

13                             (Laughter.)

14                  JUDGE LUTON: The question was whether  
15                  counsel suggested that CBC was a place to go in search  
16                  of financing?

17                  THE WITNESS: Yes. Yes, that was one of his  
18                  suggestions; yes.

19                  MR. WINSTON: It was not my intention to get  
20                  into privileged matter.

21                  JUDGE LUTON: I'm not sure that you did.

22                  BY MR. WINSTON:

23                  Q     And, did you contact CBC at some time prior  
24                  to the time your application was filed?

25                  A     Yes, I did.

1 Q And, you spoke with Mr. Clevy?

2 A Yes, I did.

3 Q Did you speak to anybody else at CBC?

4 A No, I did not.

5 Q Did anyone else on behalf of Peaches  
6 Broadcast Limited or at the time Peaches Production  
7 speak to CBC?

8 A I need to be clear. Are we talking about  
9 1990 or 1989?

10 Q This is before you filed your application?  
11 Before December 14, 1989.

12 A I flew up to talk to Mr. Clevy personally and  
13 I was accompanied by a local counsel at that point. We  
14 talked with him about the limited partnership  
15 possibilities and what they -- what he in fact did. So  
16 we were able to make a determination at that point on a  
17 number of instances that we could work with Mr. Clevy  
18 on.

19 And again, one of the ways in which we've  
20 learned to do the business is if we are able to do that  
21 on a personal level it makes it easier to trust down  
22 the line. So we established that and so it was -- he  
23 understood where we were going, what we were trying to  
24 do. It was just a matter, of course, then of him  
25 assisting us.

1                   He agreed to assist us in the process  
2           whichever way he could.

3           Q     The question was, who spoke to Mr. Clevy on  
4           behalf of Peaches --

5           A     I spoke to Mr. Clevy --

6           Q     The answer was, you and local counsel?

7           A     Yes.

8           Q     Local counsel is?

9           A     Mr. Rodney Gregory.

10          Q     And, the two of you were the only persons who  
11       spoke to Mr. Clevy prior to December 14, 1989 --

12         A     No.

13         Q     -- concerning --

14         A     No. We were not the only ones.

15         Q     Who else, on behalf of Peaches Broadcast?

16         A     There were -- to the best of my knowledge,  
17       I'm sure that lead counsel did. The extent and nature  
18       of the conversation, I don't know.

19         Q     Okay. So you know you and Mr. Gregory did.

20         A     Yes.

21         Q     And you believe Mr. Honig did, also?

22         A     Yes.

23         Q     Did Mr. Weissman?

24         A     With Mr. Weissman?

25         Q     Did Mr. Weissman speak to Mr. Clevy, or

1 anyone else at CBC?

2 A No, not to my knowledge.

3 Q And this is before the application was filed?

4 A That's correct.

5 Q And he did not speak to them after the  
6 application was filed either, to your knowledge?

7 A No, he did not.

8 JUDGE LUTON: Having thought a little bit on  
9 my ruling denying the privilege claim, as I understand  
10 the privilege and as I recall it at the moment, it  
11 embraces communications from client to the lawyer and  
12 also those from the lawyer to the client in connection  
13 with the giving of legal advice.

14 Now, whether the lawyer suggested to a client  
15 that he might seek an entity as a possible source of  
16 financing, that, to me, does not seem to constitute the  
17 giving of legal advice.

18 MR. HONIG: I've seen where the question  
19 has -- questioning has gone and I would agree with you,  
20 having seen where it's gone, that counsel has not  
21 invaded the privilege.

22 JUDGE LUTON: I think not.

23 BY MR. WINSTON:

24 Q You and Mr. Gregory flew to meet with Mr.  
25 Clevy prior to the time that your application was



1           filed, is that correct?

2           A     That's correct.

3           Q     Can you recall when that was?

4           A     November 1989, approximately.

5           Q     Approximately? Early November, late  
6 November?

7           A     My word, I really don't know. I'm sure it  
8 was early November.

9           Q     You received a letter from CBC, is that  
10 correct, prior to the time your application was filed,  
11 stating that they would make a \$600,000 loan? Is that  
12 correct?

13          A     That's correct.

14          Q     Did you receive that letter during your trip  
15 to New York?

16          A     No, I did not.

17          Q     So, you received it sometime after that?

18          A     Yes.

19          Q     Did you have further communications with Mr.  
20 Clevy after returning to Jacksonville?

21          A     Yes, I'm sure we did.

22          Q     And once again, was Mr. Gregory involved in  
23 those subsequent conversations?

24          A     No, he was not.

25          Q     You believe Mr. Honig may have been involved

1 in some of those subsequent conversations?

2 A Yes.

3 Q Did Mr. Honig provide Mr. Clevy with a draft  
4 of the -- let me back up. Let me back up.

5 Did you provide Mr. Clevy with a draft of a  
6 letter for use by CBC?

7 A I don't recall. I don't think that I  
8 personally would supply them with that.

9 Q I turn your attention to Peaches Exhibit No.  
10 3, Page 1. Do you have that in front of you?

11 A Yes.

12 Q The third paragraph, the second sentence  
13 states, they -- they, meaning Peaches, will also sell  
14 or close down non-broadcast operations of Peaches  
15 Productions Group, Inc.

16 Could you explain to me what that means?

17 A Well, it's pretty straight forward. Any  
18 activities that we are engaged in concerning  
19 broadcasting we would cease doing them.

20 Q Well, it says that you would sell or close  
21 down the non-broadcast operations. What would those  
22 operations be?

23 A I'm sorry. Misread it.

24 That has to do, of course -- well, to me it's  
25 pretty straightforward. We were in the process, as per

1 the evidence, that we submitted -- we published a  
2 magazine, I've done some consultant services for  
3 different groups and organizations, lobbying, those  
4 kinds of things would cease.

5 Q Your magazine that you publish, you didn't  
6 describe that in your Exhibit 2 concerning mass media  
7 interest. Could you describe your magazine?

8 MR. HONIG: I would object, Your Honor. The  
9 magazine is not a cognizable interest. It need not be  
10 described.

11 JUDGE LUTON: I don't believe anybody is  
12 making any argument that it should have been described.  
13 Simply noting that it wasn't described, whatever. So,  
14 if it need not have been described, so what. It wasn't  
15 described.

16 MR. HONIG: Then I would object on the  
17 grounds of relevance. It has nothing to do with this  
18 case comparatively.

19 JUDGE LUTON: Look, the question is --  
20 without regard to whether it was described or omitted,  
21 the question is -- the witness having mentioned the  
22 magazine as one of the activities of PPGI, I believe it  
23 is, the question now is what?

24 MR. WINSTON: The question is, I'd just like  
25 a description of what that entity is.

1 MR. HONIG: Limited for that purpose --

2 JUDGE LUTON: Perfectly appropriate question.

3 MR. HONIG: Sure.

4 BY MR. WINSTON:

5 Q All right, could you describe what the  
6 magazine is?

7 A Urban Magazine, that contained information  
8 about events, local events in and around Jacksonville  
9 concerning the minority community.

10 Q What was the title of that magazine?

11 A The Outlook.

12 Q How frequently is that magazine published?

13 A At the time it was coming out on a monthly  
14 basis.

15 Q Currently it's coming out on a monthly basis?

16 A At the time it was coming out on a monthly  
17 basis.

18 Q At the time, meaning 1989, when you filed  
19 your application?

20 A That's correct.

21 Q And, currently what is it doing?

22 A It is not being published at this time.

23 Q When did it cease being published?

24 A Roughly 1990. I think we attempted -- we  
25 moved it to a quarterly basis at that point and then we

1           ceased operation.

2           Q     Ceased operation in 1990?

3           A     Yes.

4           Q     Do you recall when in 1990?

5           A     No, I don't. I don't recall exactly when.  
6           It was early 1990.

7           Q     I couldn't -- I'm sorry, I couldn't --

8           A     I don't recall when it was done. When it  
9           ceased operation. I'm sure it was in the first quarter  
10          of 1990, at least.

11          Q     Is the black book a minority business  
12          directory. Is that an activity of Peaches Production  
13          Group?

14          A     Yes. It was done I think at that time for  
15          the year. That was the same year, I think. We started  
16          that same process in 1989 -- I mean, 1988. It was to  
17          be a yearly minority business directory.

18          Q     It was first published in 1989, is that  
19          correct?

20          A     Yes.

21          Q     September 1989?

22          A     Yes.

23          Q     You started working on it in 1988?

24          A     Yes.

25          Q     It was first published in 1989, September?

1           A     Yes.

2           Q     Okay.  Could you describe -- I think you did,  
3     but just more clearly, exactly what the black book is?

4           A     It's not unlike other directories around the  
5     country.  It was a publication, a listing of minority  
6     owned businesses in and around Jacksonville.

7           Q     And it generated revenues by selling  
8     advertisements in the black book?

9           A     Yes, it did.

10           JUDGE LUTON:  Mr. Winston, let's stop here  
11     for the day.  It's 4:00 o'clock.

12                 We will resume tomorrow morning at 9:30 a.m.

13                 (Whereupon, at 4:00 p.m., the hearing was  
14     recessed, to resume again, at 9:30 a.m., on Wednesday,  
15     August 21, 1991.)

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C E R T I F I C A T E

This is to certify that the attached proceedings  
before the FEDERAL COMMUNICATIONS COMMISSION

in the matter of: BALDWIN, FLORIDA

Docket Number: 91-10

Place: Washington, D.C.

Date: August 20, 1991

were held as herein appears, and that this is a true  
and accurate record of the proceedings.

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